

Urango Mining Co., Inc.

P. O. Box 757

Phone: 303-247-4297

Durango, Colorado 81301

PRESIDENT: Robert L. Beers

SECRETARY & TREASURER: Robert W. Balliger

UTAH AGENT:

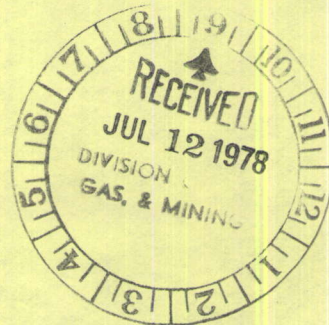
Dale D. Lyman

P.O. Box 762

Blanding, Utah 84511

Phone: 801-678-2826

June 27, 1978



Mr. Ronald W. Daniels
Coordinator of Mined Land Development
Department of Natural Resources
Salt Lake City, Utah

Dear Mr. Daniels:

I am sorry to learn that more clarification on our filing for permission to proceed with our mining operation is necessary.

First, I will answer the items to which you refer in your letter of June 14, 1978. One, this is an old mine that has not been worked for over twenty years. I guess you could say it is a continuation of a pre-existing mine. However, methods of mining have changed and the operation will have to change also. Two, the mine, a tunnel, is located on a school section and will require paying a royalty to the State of Utah. The original lessees assigned to another group who in turn assigned to another group, etc. The present owner of record is the Minerals Recovery Corporation with headquarters in Denver. Our company is buying their lease and have made two payments with three more yet to pay. When we have made the last payment we will request an assignment from Minerals Recovery Corporation with the approval of the State of Utah.

Now let me proceed with the M-10 narrative point by point.

Reclamation Standards

(1) Land Use: We will upon abandonment leave the area in a condition which is capable of supporting a post-mining use that is compatible with probable land uses.

(2) Public Safety and Welfare: We will minimize hazards to public safety and welfare following approved mining methods.

(a) Upon abandonment we will close tunnels and shafts if any, to prevent unauthorized or accidental entry.

(b) We will follow the rules and regulations of the division of Health in disposing trash and other extraneous debris incident to the mining operation.

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(c) We will observe Rule M-3(5). When drilling operations are anticipated and will comply with the plugging and capping of exploratory holes.

(d) Signs will be posted where needed to protect the public.

(e) We will construct barriers when and where required by the Division.

(3) Impoundments: We will comply.

(4) Slopes: We find almost no dump from previous mining operations and if any amount of dumptile accumulates we will minimize the degree of slope by terracing.

(5) High walls: Does not apply as we have no interest in strip mining.

(6) Toxic Materials: We cannot see any such material in our operations.

(7) Roads and Pads: We will be using old, established roads for access to the mine. On-site roads and pads will be included in plans for drilling operations when requests for approval are made.

(8) Drainages: We will comply with rule.

(9) Structures and Equipment: We will comply with the regulation when and if these items become necessary.

(10) Shafts and POrtals: We will comply with the regulation when and if these items become necessary.

(11) Sediment Control: We will comply with the regulation when and if this item becomes necessary.

(12) Revegetation: (1), (2) (a) and (b) see 3 below.

(3) I am enclosing photographs to show that the area consists of solid rock outcrops and attempts to vegetate could meet with no success.

(13) and (14) Will not apply.

I am enclosing a map and photographs as required.

I hope this will meet with your approval. Please telephone me at (303) 247-4297, Durango, Colorado if more information is required.

We are currently cleaning out the old workings, enlargin the tunnel for modern machinery and pumping out accumulations as well as testing the uranium exposures.



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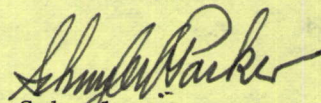
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I appreciate your help in securing this approval.

Sincerely,

A handwritten signature in dark ink, appearing to read "Schuyler C. Parker", written in a cursive style.

Schuyler C. Parker
Chairman of the Board

SCP;pb

Enclosurers



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